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FOR IMMEDIATE RELEASE

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ANNUAL WORKERS' COMP FILING APPROVED

Overall loss costs decrease for 11th consecutive year, coal classes increase

FRANKFORT, Ky. (Sept. 2, 2016) – An annual filing most insurance carriers will use to develop rates for workers' compensation coverage shows the eleventh consecutive overall decrease in loss costs, Department of Insurance Commissioner Brian Maynard announced today.

The 2016 filing, approved by the Kentucky Department of Insurance and effective Oct. 1, was submitted by the National Council on Compensation Insurance Inc. (NCCI), an advisory organization that is the oldest provider of workers' compensation and employee injury data and statistics in the nation.

Commissioner Maynard noted that the 11 consecutive decreases have lowered loss costs on average 54.5 percent.

"While this filing is great news for employers and Kentucky workers, it also reinforces the message that Kentucky is open for business," Maynard said. "The workers' comp market in Kentucky remains strong."

Data collected from insurance carriers is used to develop loss costs, which are the average compensation for lost wages based on the level of disability, plus medical benefit payments. Use of the information is voluntary but most workers' comp carriers use the NCCI loss cost

values as the base to which the insurer's own loss adjustment and overhead expenses are added to arrive at the rates charged to Kentucky employers.

The loss cost figures show an average reduction of 5 percent for the 582 industrial classes used in Kentucky. The industrial classes include manufacturing, office and clerical, contracting, and goods and services.

For coal classes, surface mining increased 21 percent and underground mining costs increased 25 percent. Maynard noted that the coal class increases were expected and largely due to changes in federal requirements related to benefits to be paid to those suffering from coal workers' pneumoconiosis (black lung) and other occupational diseases.

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